

City of Rockville, Maryland

FY 2009 Budget Preview / Worksession

Presented by: Stacey Tate, Budget and Finance Officer

February 11, 2008

Presentation Agenda

GENERAL

✓ **General Fund**

WATER

✓ **Enterprise Funds**

SEWER

✓ **Special Revenue Funds**

REFUSE

✓ **Mayor and Council Vision**

PARKING

✓ **Next Steps**

SWM

REDGATE

TCMD

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M&C VISION

NEXT STEPS

General Fund

GENERAL

WATER

SEWER

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M&C VISION

NEXT STEPS

- ✓ Estimated General Fund Budget: \$62.2 million which is a 5.6% increase over adopted FY 2008
- ✓ FY 2009 revenues are estimated conservatively to ensure that sufficient revenues are available throughout the year:
 - Property Taxes: \$34.5 million
 - Income Taxes: \$9.3 million
 - Highway User: \$3.0 million (\$200,000 less than November preview)
 - Tax Duplication: \$2.2 million (same as FY 2008)
 - Other Revenues: general increases and decreases offset
 - Property Tax: maintain tax rate of \$0.302 per \$100 of assessed valuation while continuing with the Homeowners' Tax Credit Program

General Fund

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NEXT STEPS

- ✓ **FY 2009 Expenditure needs:**
 - **Maintain program and service levels**
 - **Focus on the City's support services**
 - **Comply with State and Federal mandates**
 - **Implement Mayor and Council Priorities**
 - **Invest in additional workspace**
 - **Provide competitive salary and benefit compensation**
 - **Contribute to retiree health care costs (GASB 45)**
 - **Transfer a minimum of \$4 million to the CIP**
 - **Fund operating costs impacts from the FY 2008 CIP projects**
 - **Fund gap in the Parking Fund**
 - **Utility charges – Water, Sewer, SWM**

Water Facility Fund

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NEXT STEPS

- ✓ The City is anticipating new operating and capital expenses for FY 2009 as a result of the following studies:

- Water Treatment Plant Study
- Water Distribution System Study

- ✓ Although the rates are still under review, the FY 2009 Proposed Budget will continue with the three-tiered water rate structure and the ready-to-serve charge

- ✓ FY 2008 rates (FY 2009 rates TBD):

Usage by Quarter (per 1,000 gallons)	Adopted FY08
Up to 12,000 gallons	\$1.78
Next 12,000 gallons	\$2.56
Usage beyond 24,000 gallons	\$2.75
Ready-to-Serve Charge (based on a 3/4" meter)	\$9.00

Sewer Fund

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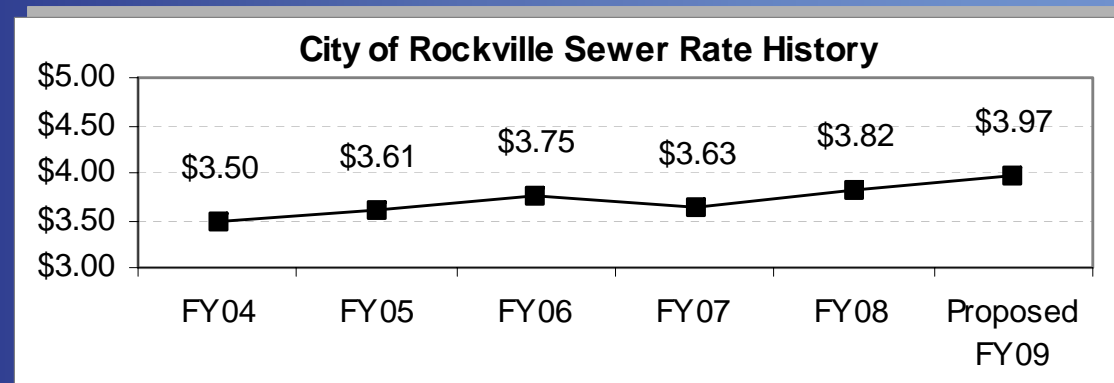
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M&C VISION

NEXT STEPS

- ✓ The rate for the Sewer Fund is based on the March 2006 Water and Sewer Rate Study recommendations approved by the M&C
- ✓ The FY 2009 proposed sewer charge equals \$3.97 per 1,000 gallons (an increase of \$0.15 or 3.9% over the FY 2008 adopted rate)
- ✓ The ready-to-serve charge will be distributed equally to both Water and Sewer funds



Refuse Fund

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NEXT STEPS

- ✓ FY 2009 Proposed Budget and rate will be based on a semi-automated once per week refuse and recycling program
- ✓ The semi-automated once per week system provides reduced operating expenses (less personnel, contractual services, commodities, vehicles and equipment)
- ✓ The refuse rate will remain the same as the Adopted FY 2008 rate of \$32.70 per month

Parking Fund

GENERAL

WATER

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NEXT STEPS

- ✓ Parking District tax rate for FY 2009 will continue at \$0.30 per \$100 dollars of assessed value and will continue to provide over \$90,000 towards funding the District
- ✓ The Pay-by-Space system in the Town Square parking garages will be activated in March 2008
- ✓ \$1.00 per hour for parking will be implemented Monday to Friday, 7:00am through 7:00pm
- ✓ Staff proposes a transfer of \$950,000 from the General Fund to the Parking Fund to assist with the Parking Fund revenue gap (same as adopted FY 2008)

Stormwater Fund

GENERAL

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M&C VISION

NEXT STEPS

- ✓ If approved, the SWM Utility Program will begin in FY 2009 and will provide a dedicated funding source for:
 - SWM facility and storm drainage maintenance
 - Stream restoration
 - Sediment control
 - Improvements to meet Federal water quality requirements
- ✓ The recommended FY 2009 SWM Utility Fee will be \$55.80 annually per Equivalent Residential Unit ("ERU")
- ✓ The fee provides sufficient funding so that all stormwater related costs in the General Fund can be transferred to the SWM Fund (\$475,000)

RedGate Golf Fund

GENERAL

WATER

SEWER

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M&C VISION

NEXT STEPS

- ✓ FY 2009 is the third year of a five-year business plan intended to help the Golf Fund
- ✓ Overall revenues and rounds played have increased since the adoption of the 5-year plan
- ✓ Total revenues for FY 2009 equal \$1.2 million which is consistent with the FY 2008 adopted budget
- ✓ Fees/rates will remain the same
- ✓ As part of the 5-year business plan, the City will transfer \$93,000 to the Golf Fund to support capital improvements

Town Center Management District

GENERAL

WATER

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NEXT STEPS

- ✓ Staff is evaluating the assessed values of the properties within Town Square in order to develop the tax rates for the special districts
- ✓ Rates will be set to cover the proposed expenditure budget for the Town Center Management District Fund of approximately \$820,000, an increase of \$98,992 or 12% over adopted FY 2008
- ✓ FY 2008 special district tax rates are:
 - Town Square Street and Area Lighting District: \$0.048 per \$100 of assessed value (FY 2009 is the second and final year that the the residential portion is capped per the GDA)
 - Town Square Commercial District: \$0.53 per \$100 of assessed value

Speed Camera Fund

GENERAL

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M&C VISION

NEXT STEPS

- ✓ For FY 2009, an estimated 10,000 citations will be paid per month generating net revenue of \$2.85 million in the Speed Camera Fund
- ✓ By State law, the program revenue is not available for general City operations
- ✓ Because the funds are restricted staff recommends the revenues be used for:
 - Enhanced Pedestrian Safety
 - Enhanced Street Lighting Improvements
 - Bikeway System Improvements
 - Two additional Police Officers in the Traffic Unit

Mayor and Council Vision

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M&C VISION

NEXT STEPS

- ✓ In January, the Mayor and Council developed a long-range vision for Rockville, and identified City priorities for the next two years
- ✓ The two-year priorities for each of the vision target areas have been introduced into the FY 2009 budget preparation process:
 - Distinct Neighborhoods, One City
 - A Cultural Destination
 - Green City
 - Quality Built Environment
 - Exceptional City Services
 - Economic Development and Sustainability
 - Community Engagement

Next Steps

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NEXT STEPS

- ✓ FY 2009 Proposed Operating and Capital Improvements Program budgets will be presented to the Mayor and Council in March
- ✓ Once the Budget is presented, two public hearings, and two worksessions are scheduled
- ✓ FY 2009 budget adoption is scheduled for May 19, 2008

March 24, 2008	Presentation of Proposed Budget Introduction of Ordinances/Resolutions
March 31, 2008	Public Hearing #1(Constant Yield Tax Rate)
April 14, 2008	Public Hearing #2
April 28, 2008	Mayor and Council Worksession #1
May 5, 2008	Mayor and Council Worksession #2
May 19, 2008	Budget Adoption